

HOUSE CONCURRENT RESOLUTION NO. 1014

A CONCURRENT RESOLUTION, Requesting the United States Congress to enact legislation prohibiting the United States Postal Service from selling nonmonopoly goods and services.

WHEREAS, the United States Postal Service has recently embarked on a number of programs pursuant to which the postal service engages in nonpostal businesses and sells many nonpostal goods and services at post offices, including clothing, mugs, novelty items, photocopying services, packaging materials, and other nonpostal goods and services; and

WHEREAS, various state and local governments have enacted sales and use taxes on the sale or consumption of goods or services within the state or their various political subdivisions; and

WHEREAS, the postal service does not collect and remit state or local sales and use taxes on its sale of nonpostal goods or services; and

WHEREAS, the postal service bases its noncollection of sales and use taxes on the Supremacy Clause of the United States and the doctrine of intergovernmental tax immunity; and

WHEREAS, the sale of nonpostal goods or services by the postal service is not in accordance with the performance of a governmental function but rather is the type of activity engaged in by private enterprises that are subject to state and local sales and use taxes; and

WHEREAS, the postal service's practice of selling nonpostal goods and services while at the same time not collecting and remitting sales and use taxes on the sale of such nonpostal goods and services puts local tax-paying retailers selling similar items at an economic disadvantage and also has a negative impact on state and local treasuries as a result of the loss of tax revenues that would otherwise be received:

NOW, THEREFORE, BE IT RESOLVED, by the House of Representatives of the Seventy-fourth Legislature of the State of South Dakota, the Senate concurring therein, that the South Dakota Legislature hereby requests the United States Congress to enact legislation to prohibit the sale by the postal service of such nonmonopoly related goods and services and prohibit further service offerings and advertisements by the postal service in areas where the general public is presently served by private industry.

Adopted by the House of Representatives,
Concurred in by the Senate,

March 2, 1999
March 4, 1999

Roger Hunt
Speaker of the House

Karen Gerdes
Chief Clerk of the House

Carole Hillard
President of the Senate

Patricia Adam
Secretary of the Senate